UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

TIFFANY (NJ) INC. and TIFFANY AND COMPANY,

Plaintiffs,

v.

eBAY INC.,

Defendant.

Case No. 04 Civ. 4607 (KMK)

MEMORANDUM OF DEFENDANT EBAY IN FURTHER SUPPORT OF ITS MOTION IN LIMINE TO EXCLUDE EVIDENCE THAT PURPORTS TO CREATE LIABILITY BASED ON TRADEMARKS FIRST ASSERTED IN TIFFANY'S PROPOSED FINDINGS OF FACT

R. Bruce Rich
Randi W. Singer
Mark J. Fiore
Lori M. Schiffer
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153

Attorneys for eBay Inc.

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Defendant eBay Inc. ("eBay") submits this memorandum of law in further support of its motion in limine to preclude plaintiffs Tiffany (NJ) Inc. and Tiffany & Company (collectively "Tiffany") from introducing evidence at trial concerning each of Tiffany's eleven newly-identified trademarks. Contrary to Tiffany's post-hoc rationalizations and creative glosses on the fact record, Tiffany's opposition memorandum ("Tiffany Opp.") provides no legally-cognizable basis for Tiffany's attempt to sweep within this lawsuit trademarks that Tiffany never before had put in issue. For the reasons that eBay explained in its opening memorandum ("eBay Mem.") and for the reasons discussed below, the Court should grant eBay's motion.

PRELIMINARY STATEMENT

The facts relevant to this motion cannot seriously be disputed. As eBay explained in its opening memorandum, from day one of this litigation, Tiffany consistently has alleged infringement of only seven trademarks as they pertain to jewelry or silver jewelry. These trademarks consist of the Tiffany company name – specifically "Tiffany," "Tiffany & Co.," and "T & Co." – as well as two jewelry designs (the "TIFFANY Marks"). See eBay Mem. at 1-2.[1] Not until the Proposed Findings of Fact that Tiffany filed on April 2, 2007 – nearly three years into this litigation and well after discovery had closed – did Tiffany identify for the first time eleven new trademarks. These trademarks consist of "Atlas," "Elsa Peretti," "Peretti," and "Paloma Picasso," and variations thereof, as well as four trademarks relating to Tiffany's packaging, advertising, and collateral materials (the "New Marks"). See id. at 2.

Nowhere in its opposition memorandum does Tiffany state that it had asserted with any degree of particularity any infringement of the eleven New Marks before the filing of its Proposed Findings of Fact. Quite the contrary – Tiffany concedes that it "did *not* specifically

[1] Pre-litigation correspondence from Tiffany's counsel also cited only the "Tiffany" and "Tiffany & Co." trademarks. See Declaration of Randi W. Singer, dated June 8, 2007, filed herewith ("Singer Decl."), Exh. A.

recite in its First Amended Complaint and the Pretrial Order" that "eBay infringed and contributorily infringed" these New Marks. Tiffany Opp. at 1 (emphasis added). Tiffany instead argues that because it had used such generic phrases as "among many others" and "including, but not limited to" in various court filings and discovery materials, eBay in essence must have had notice as to any trademark owned by Tiffany. See id. at 2-4. That is a sweeping proposition – were it to prevail, any trademark owner could claim infringement of its trademarks at any time during a pending lawsuit without having to specify at any time up through discovery which trademarks are at issue. Tiffany's theory is particularly inappropriate given that, according to United States Patent and Trademark Office records, Tiffany owns approximately *one hundred active trademarks*. See Singer Decl. at ¶ 13.

The court filings and discovery materials upon which Tiffany so heavily relies in fact make no mention of the New Marks. Paragraph 12 of Tiffany's First Amended Complaint ("Complaint") merely states that "TIFFANY and TIFFANY & CO. are subject to the following registrations, among many others. . . ." See Tiffany Opp. at 2. As the language of that paragraph makes plain, the reference to "among many others" relates only to the fact that Tiffany owns multiple trademarks – it does not indicate that Tiffany was claiming infringement by eBay of all of Tiffany's trademarks. Similarly, the reference to "plaintiffs' registered trademarks" in paragraph 1(b), see Tiffany Opp. at 3, follows on the heels of Tiffany's specific reference in paragraph 1(a) to "the TIFFANY, TIFFANY & CO., or T & CO. trademarks," compelling the only logical conclusion that those are the three "plaintiffs' registered trademarks" that form the basis for Tiffany's lawsuit. Tellingly, Tiffany never uses the words Atlas, Elsa Peretti, or Paloma Picasso *anywhere* in its Complaint.[2]

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[2] The remainder of the Complaint makes clear that Tiffany was asserting infringement of only the TIFFANY Marks. The Singer Declaration provides a fuller explication of Tiffany's Complaint; we highlight here a few excerpts from

Contrary to Tiffany's carefully-edited reconstruction, the parties' discovery requests and responses also refute Tiffany's contention that discovery "pertain[ed] to trademarks in addition to the [TIFFANY Marks]." Tiffany Opp. at 3. Thus, when eBay served an interrogatory asking Tiffany for the basis for its infringement claims, Tiffany responded:

> eBay is well aware of the Tiffany owned trademarks, *TIFFANY and TIFFANY & CO.*, and of the vast goodwill represented and symbolized thereby. Each year, thousands of *silver jewelry items sold under and/or bearing the TIFFANY and/or TIFFANY & CO. trademarks* that were not manufactured, authorized, sponsored or approved by Tiffany, or otherwise affiliated or connected with Tiffany, are sold through eBay.

Plaintiffs' Responses and Objections to Defendant's Second Set of Interrogatories (Oct. 7, 2005) (Singer Decl. Exh. E), Response No. 18 (emphasis added). Tiffany made no mention of other trademarks in that response or in any response to any of eBay's numerous discovery requests.

The definitions in Tiffany's own discovery requests similarly relate only to the TIFFANY Marks, and eBay objected to discovery that did not pertain to the TIFFANY Marks. See, e.g., Plaintiffs' First Request for the Production of Documents and Things to Defendant eBay, Inc. (Oct. 22, 2004) (Singer Decl. Exh. C) at Definitions and Instructions ¶ 4; Defendant's Objections and Responses to Plaintiffs' First Set of Interrogatories (Nov. 22, 2004) (Singer Decl. Exh. D), General Objection K (objecting to Tiffany's interrogatories "to the extent that they purport to seek information not pertaining to the Tiffany Marks").

Consistent with eBay's objections to discovery not pertaining to the TIFFANY Marks, and consistent with Tiffany's claims from day one of the litigation as to which

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the Complaint establishing beyond doubt that Tiffany was not claiming infringement of the newly-identified trademarks. See, e.g., Complaint at ¶ 2 (stating that "Tiffany (NJ) is the proprietor of the TIFFANY, TIFFANY & CO., and T & CO. trademarks at issue herein"); id. at ¶ 8 (claiming that "Tiffany [is] a purveyor of high quality goods . . . under the trademark and trade name TIFFANY and its variant TIFFANY & CO."); id. at ¶ 39 (asserting that eBay and eBay sellers have "used the TIFFANY and TIFFANY & CO. trademarks"). See also Singer Decl. at ¶ 4. In light of these excerpts – and there are many more – any non-specific language in the Complaint to which Tiffany points cannot plausibly be read to encompass trademarks other than the TIFFANY Marks.

trademarks were in suit, eBay appropriately limited the discovery that it sought to the TIFFANY Marks. Tiffany claims otherwise, stating that certain of eBay's discovery requests sought discovery "on Tiffany trademarks 'including, but not limited to'" the TIFFANY Marks. Tiffany Opp. at 3-4. But Tiffany egregiously ignores a crucial aspect of these requests, which state in necessary completeness: "including, but not limited to, all trademarks owned or exclusively licensed by Plaintiffs *containing the mark TIFFANY*." First Request for the Production of Documents by Defendant eBay Inc. (Oct. 25, 2004) (Singer Decl. Exh. B) at Definitions ¶ 4 (emphasis added). On their face, these requests apply to the TIFFANY Marks, and Tiffany never objected nor indicated a contrary interpretation.

Tiffany lastly cites its "buying programs" in its attempt to salvage its rewriting of the basis for its case. Yet, as Tiffany concedes, those buying programs searched for "simply 'Tiffany sterling.'" Tiffany Opp. at 4. That a small fraction of the search results referenced Tiffany's newly-identified trademarks was purely by happenstance, not by design. Indeed, Tiffany's own expert explained that he was retained to "design a program . . . for use in purchasing certain silver jewelry items, offered for sale on eBay, *that use the TIFFANY trademark* as part of the auction titles or descriptions." "Buying Program" Report, prepared by George Mantis (Singer Decl. Exh. F) at 1 (emphasis added).[3]

This narrow scope of discovery is reinforced by the Joint Pretrial Order filed by the parties on October 6, 2006. Tiffany there stated that it "contends that eBay . . . facilitates the promotion and sale in the United States of counterfeit silver jewelry bearing Tiffany's famous TIFFANY and TIFFANY & CO. trademarks." Joint Pretrial Order (Oct. 6, 2006) at 2. Tiffany

[3] The report of Tiffany's other expert, Gregory Piatetsky-Shapiro, was similarly narrow. See Gregory Piatetsky-Shapiro Report (Singer Decl. Exh. G) at 10 (stating that Piatetsky-Shapiro's work involved "download[ing] all listings with the word 'Tiffany' in the title").

further explained that it "seeks injunctive relief [as to] the TIFFANY, TIFFANY & CO. or T & CO. trademarks," id., and Tiffany's reference in the immediately following clause to "Tiffany's registered trademarks" clearly refers to those three identified trademarks, id. Finally, Tiffany and eBay stipulated that Tiffany was the owner or exclusive licensee and user of only the seven trademarks specifically identified in the Complaint – the TIFFANY Marks. See id. at 7.

The Joint Pretrial Order, among other filings and discovery materials, also does away with Tiffany's attempt to introduce trademarks related to its packaging, such as the "robin's egg blue" trademarks. See Tiffany Opp. at 3. As Tiffany itself has recognized, this lawsuit relates to jewelry (more specifically, silver jewelry), not packaging. Tiffany thus stated in the Joint Pretrial Order that purportedly counterfeit "silver jewelry" is at issue. Joint Pretrial Order (Oct. 10, 2006) at 2. See also Plaintiffs' Responses and Objections to Defendant's Second Set of Interrogatories (Oct. 7, 2005) (Singer Decl. Exh. E), Response No. 18 (addressing "silver jewelry items"). In the prayer for relief in its Complaint, Tiffany likewise specifically and repeatedly states that it seeks relief with respect to "jewelry." See Complaint at Prayer for Relief ¶ 1. George Mantis's "Buying Program" Report also excluded packaging from its analysis. See "Buying Program" Report (Singer Decl. Exh. F) at 2 ("Some of the listings also appear to be for jewelry packaging or jewelry boxes only, which are not of interest for this protocol.").[4]

Against this fact record, Tiffany's contention that "eBay cannot establish 'surprise' because Tiffany seeks to offer evidence [as to the New Marks]," Tiffany Opp. at 5, is preposterous. As we turn to next, Tiffany's legal theories gain it no further traction.

[4] Tiffany's limitation of its claims to silver jewelry underscores the inappropriateness of Tiffany's attempt to introduce the New Marks for the additional reason that, as even a cursory review of Tiffany's website (http://www.tiffany.com) reveals, vast amounts of the goods identified by the New Marks are not silver jewelry but instead are, for example, diamond, gold, white gold, and so on.

ARGUMENT

Faced with a clear fact record that does not mention Tiffany's newly-identified trademarks, Tiffany also attempts to complicate unnecessarily a simple legal issue. Contrary to Tiffany's supposition, eBay does not seek to exclude "broad categories of evidence." Tiffany Opp. at 5. Rather, eBay merely seeks to exclude, quite properly, eleven specific trademarks as to which it had no notice prior to their untimely injection into the case. For the numerous reasons discussed below, this Court has broad discretion to exclude Tiffany's newly-identified trademarks. See Perry v. Ethan Allen, Inc., 115 F.3d 143, 150 (2d Cir. 1997) ("trial court has broad discretion over the admission of evidence"). Even in bench trials, motions in limine are proper means to address the admissibility of evidence. See, e.g., Juicy Couture, Inc. v. L'Oreal USA, Inc., No. 04 Civ. 7203 (DLC), 2006 WL 1359955, at *1 (S.D.N.Y. May 18, 2006) (noting that court in bench trial in trademark infringement action had granted in part defendants' motion in limine). Rule 403 of the Federal Rules of Evidence particularly "affords the court with much leeway in admitting or excluding evidence." United States v. Hanson, 618 F.2d 1261, 1266 (8th Cir. 1980). See also, e.g., United States v. Awadallah, 436 F.3d 125, 128 (2d Cir. 2006) (affirming exclusion of evidence pursuant to, inter alia, Rule 403 because "district court's ruling fell well within the broad discretion afforded it on evidentiary questions"); United States v. Schatzle, 901 F.2d 252, 256 (2d Cir. 1990) ("Rule 403 vests the district court with broad discretion to exclude . . . evidence"). As eBay explained in its opening memorandum, Rule 403 provides ample basis for excluding evidence of the New Marks. Rather than repeating those arguments, we focus herein on responding to the numerous erroneous contentions raised by Tiffany in its opposition memorandum.

I. EBAY HAD NO NOTICE THAT TIFFANY WOULD ADD NEW CAUSES OF ACTION

Notice pleading under Rule 8(a) of the Federal Rules of Civil Procedure requires that the defendant have "fair notice of what the plaintiff's claim is and the grounds upon which it rests." Swierkiewicz v. Soreman N.A., 534 U.S. 506, 512 (2002). "Fair notice" is that which will enable an opponent to answer and prepare for trial. See Wynder v. McMahon, 360 F.3d 73, 79 (2d Cir. 2004). Here, "fair notice" requires some basis for eBay to have believed that the New Marks were at issue. Yet at no time during the nearly three years that this case was pending prior to the filing of Tiffany's Proposed Findings of Fact did Tiffany provide eBay with fair notice with respect to the New Marks.

Tiffany argues that because the Complaint includes such ambiguous generalities as "including" and "among others" in reference to the TIFFANY Marks, eBay was on notice that Tiffany would raise eleven new claims of trademark infringement on the eve of trial, and after discovery had closed. See Tiffany Opp. at 2-4. As discussed above, the facts directly refute Tiffany's proposition. Moreover, Tiffany fails to cite a single case supporting its contention – which, in essence, would shift the burden from a plaintiff to a defendant to determine and define the parameters of the plaintiff's claims against the defendant. Indeed, Tiffany's articulated concept would unfairly place the enormous burden of uncovering the bases and scope of Tiffany's trademark infringement claims entirely on eBay.

In fact, Tiffany, as the trademark owner, is the party in the best position – indeed, the only party in the position – to know which trademarks it intends to put at issue. Accordingly, the burden is on Tiffany to identify those trademarks. It is axiomatic that "[a] failure to identify the infringed trademark and allege its registration" in a complaint does not provide a party with sufficient notice of which trademark is alleged to be infringed. 5 Charles Alan Wright & Arthur

R. Miller, Federal Practice and Procedure § 1237 (2007). Courts in this circuit have long held that a complaint that does not identify the trademarks at issue is insufficient under the Federal Rules of Civil Procedure. See Esquire, Inc. v. Lewis, 16 F.R.D. 246, 246 (S.D.N.Y. 1954) ("The cause of action for infringement of a registered trade-mark shall identify the trade-mark and its registration."). At worst, "[t]he specific trademarks involved [must] be identified in discovery." Chambers v. Time Warner, No. 00 Civ. 2839 (JSR), 2003 WL 749422, at *3 (S.D.N.Y. Mar. 5, 2003). See also id. at *3 n.3 (ordering plaintiffs to provide "a more definite statement of the trademarks allegedly owned by plaintiffs and infringed by defendant").[5] Against this authority, Tiffany has not cited – and cannot cite – any support for its proposition that eBay must speculate which, and how many, of Tiffany's marks are at issue based merely upon the fact that Tiffany's Complaint lists a select few specifically identified trademarks, "among others." This is particularly so since, as noted, Tiffany currently owns approximately one hundred active trademarks. See Singer Decl. at ¶ 13.

Here, prior to the filing of Tiffany's Proposed Findings of Fact, there was no reason for eBay even to surmise that Tiffany was claiming infringement of not seven trademarks, but eighteen trademarks. As discussed above, from the pre-litigation correspondence between the parties to the filing of the Complaint, during all of discovery, and up through the submission of the Joint Pretrial Order, Tiffany consistently alleged infringement of only the TIFFANY

[5] Not controversially, courts in all areas of the law have deemed complaints deficient where the complaints lacked adequate specificity. See, e.g., Dow Jones & Co., Inc. v. International Sec. Exch., Inc., 451 F.3d 295, 307 (2d Cir. 2006) (finding plaintiff's complaint alleging trademark infringement and dilution deficient because complaint contained only conclusory allegations unsupported by factual assertions concerning nature of threatened use of plaintiff's trademarks); Martin v. New York State Dep't of Mental Hygiene, 588 F.2d 371, 372 (2d Cir. 1978) (finding that allegations that fail to give notice of basic events and circumstances of which plaintiff complains are insufficient as a matter of law). See also Morris v. City of N.Y., 05 Civ. 7368 (PKC), 2007 U.S. Dist. LEXIS 14765, at *16-18 (S.D.N.Y Mar. 1, 2007) (holding that plaintiff's complaint failed to give notice of claims where, despite asserting claim of age discrimination, complaint did not set forth plaintiff's age); Campoli v. Healthextras, Inc., No. 06-0539, 2007 U.S. App. LEXIS 8764, at *3-4 (2d Cir. Apr. 6, 2007) (holding that "even upon a generous reading," complaint failed to give notice because it did not expressly state a cause of action and failed to sufficiently state elements to establish claim).

Marks. At no point did Tiffany assert infringement of the New Marks. For example, throughout the Complaint, Tiffany repeatedly refers only to the "Tiffany," "Tiffany & Co." and "T & Co." trademarks. See Singer Decl. at ¶ 4. In Tiffany's own requests for documents and interrogatories, "Tiffany Marks" is defined merely as "trademarks TIFFANY, TIFFANY & CO., and T & CO., individually or collectively, all variations thereof, . . . and any marks or colors that are confusingly similar to those trademarks." See, e.g., Plaintiffs' First Request for the Production of Documents and Things to Defendant eBay, Inc. (Oct. 22, 2004) (Singer Decl. Exh. C) at Definitions and Instructions ¶ 4.[6] And contrary to Tiffany's contention that eBay never sought discovery on which trademarks were at issue, eBay's interrogatories asked Tiffany to identify which specific activities eBay engages in that Tiffany alleged constituted trademark infringement. In response, Tiffany referred only to the "TIFFANY and TIFFANY & CO." trademarks. See Singer Decl. Exh. B at Response No. 18. Both of Tiffany's experts, George Mantis and Gregory Piatetsky-Shapiro, likewise limited their analyses to the "Tiffany" trademark. See Singer Decl Exhs. F & G.

Tiffany concedes, moreover, that even in the Joint Pretrial Order, it did not identify the New Marks. See Tiffany Opp. at 1. That glaring omission is particularly fatal to Tiffany's belated attempt to introduce evidence of those trademarks. The purpose of a pretrial order is, "most importantly, [to] minimize prejudicial surprise." Lamborn v. Dittmer, 873 F.2d 522, 527 (2d Cir. 1989). See also Clark v. Pennsylvania R. Co., 328 F.2d 591, 594 (2d Cir. 1964) ("One of the prime objectives of [the pretrial] procedural device, is to do away with the old sporting theory of justice and substitute a more enlightened policy of putting the cards on the table, so to speak, and keeping surprise tactics down to a minimum."). A final pretrial order

[6] With respect to Tiffany's reference to "colors," we note again that those colors refer to Tiffany's packaging, which Tiffany has repeatedly indicated has not been part of this litigation.

defines the parameters of a case, and "[i]f an issue is not contained in (or clearly implied by) the pretrial order, it is not a legitimate topic to be delved into at trial." Baltz v. County of Will, No. 84 C 2198 (ACW), 1989 WL 6485, at *1 (N.D. Ill. Jan. 20, 1989).[7] In sum, it is pure fiction for Tiffany to contend that eBay has been on notice that Tiffany always intended the New Marks, or any items not bearing the TIFFANY Marks, to fall within the scope of this litigation.

II. IT IS TOO LATE FOR TIFFANY TO ADD NEW CAUSES OF ACTION

The Lanham Act provides a cause of action for infringement of each registered trademark. See, e.g., 15 U.S.C. § 1114(1) (providing for "a civil action" for infringement of "a registered mark"). Here, the time has passed for Tiffany to add entirely new causes of action – not only was Tiffany's Complaint filed nearly three years ago, but discovery long since has closed. Courts frequently have rejected the late assertion of allegations such as those pressed by Tiffany here, likening such tactics to an impermissible attempt of the submitting party to amend its pleadings without leave. See, e.g., Media Sport & Arts s.r.l. v. Kinney Shoe Corp., No. 95 CIV 3901 (PLK), 1999 WL 946354, at *4 (S.D.N.Y. Oct. 19, 1999) (finding defendant's newly asserted allegation at pretrial order stage to be a "'back door' route to amend its answer"); Weeks Dredging & Contracting, Inc. v. United States, 11 Cl. Ct. 37, 46 (Cl. Ct. 1986) ("[A] pretrial submission is not a pleading, nor can it, ipso facto, act as an amendment to a previously filed

[7] The cases that Tiffany cites for the proposition that pretrial orders are not to be strictly adhered to are inapposite. See Tiffany Opp. at 12-13. In those cases, the party opposing the additional claims had been afforded notice of the additional claims via some other avenue – be it reply papers, motions for summary judgment, or submissions of material facts. See NRT Metals, Inc. v. Manhattan Metals (Non-Ferrous) Ltd., 576 F. Supp. 1046 (S.D.N.Y. 1983) (defendants had meaningful opportunity through their reply papers to address plaintiff's argument and could not therefore claim surprise or unfairness); Lamborn, 873 F.2d 522 (claim was allowed because although no notice was given in pretrial order, claim was *squarely raised* when parties cross-moved for summary judgment); Morton Int'l, Inc. v. A.E. Staley Mfg. Co., 343 F.3d 669 (3d Cir. 2003) (defendant was sufficiently put on notice at three different points in litigation when it was specifically stated by opposing party in the statement of a deponent, the opponent's submission of material facts, and the incorporation by reference of the statement of material facts into papers opposing summary judgment).

unambiguous [pleading].").[8] Courts have broad discretion to reject an amendment to a complaint – essentially what Tiffany is seeking to do here – when the amendment is made after inordinate delay, no satisfactory explanation is offered for the delay, and the amendment would prejudice the opposing party. See Grace v. Rosenstock, 228 F.3d 40, 53-54 (2d Cir. 2000); Cresswell v. Sullivan & Cromwell, 922 F.2d 60, 72 (2d Cir. 1990). Tiffany's newfound claims with regard to the New Marks should be rejected because Tiffany's inexplicable delay in asserting the claims is inordinate, inexcusable and prejudicial.

Tiffany filed its First Amended Complaint on July 14, 2004, and did not make any actual mention of the New Marks until it submitted its Proposed Findings of Fact on April 2, 2007. Tiffany's earliest reference to the New Marks thus came nearly three years after the filing of Tiffany's Complaint – as well as almost two years after the close of discovery, six months after the entry of the Joint Pretrial Order, and a mere six weeks before the originally scheduled trial date. See Singer Decl. at ¶ 12. Tiffany has provided no explanation, let alone a reasonable justification, for this inordinate delay. In circumstances even less outrageous than those here, courts have not hesitated to exclude a party's late-asserted claims. See Zahra v. Town of Southhold, 48 F.3d 674, 686 (2d Cir. 1995) (finding it "entirely reasonable" for district court to reject amendment filed two years after action was commenced and only three months before trial); Cresswell, 922 F.2d at 72 (finding seventeen-month delay after filing of initial complaint to be inordinate). Tiffany's insinuation that eBay should have known that Tiffany would introduce new causes of action on the eve of trial – which, as addressed above, is without factual

[8] Tiffany's conduct here is even more egregious than that addressed by the courts in Media Sport and Weeks. In those cases, the courts considered matters first raised in a pretrial order. Here, by contrast, Tiffany waited until even after the filing of the Joint Pretrial Order to introduce the New Marks, failing to identify them until the submission of its Proposed Findings of Fact. Moreover, Tiffany's Proposed Findings of Fact were submitted simultaneously with eBay's Proposed Findings of Fact, effectively depriving eBay of *any* opportunity to answer.

merit – does not alter this result. The law places the burden of providing a satisfactory justification for delay squarely on Tiffany, the party seeking to make the amendment. See Cresswell, 922 F.2d at 72. Tiffany has not provided *any* plausible justification.

The longer the period of unexplained delay, the less that is required to establish prejudice. See Evans v. Syracuse City Sch. Dist., 704 F.2d 44, 47 (2d Cir. 1983). Here, the prejudice is in fact overwhelming. Tiffany contends that "eBay had the ability to seek discovery with respect to all trademarks that were the subject of the First Amended Complaint," Tiffany Opp. at 12, but as explained above, Tiffany never identified any trademarks beyond the TIFFANY Marks. Tiffany cannot reasonably suggest that eBay should have sought discovery on all of Tiffany's approximately one hundred trademarks, particularly where Tiffany specifically identified only a handful of trademarks in the Complaint.

Tiffany itself recognizes that "[b]y the time that the parties submitted the Pretrial Order, all discovery had been completed." Tiffany Opp. at 12. That is exactly the point. Because Tiffany utterly failed to identify the New Marks at any appropriate interval, eBay was foreclosed from pursuing any discovery as to those trademarks. For example, eBay was unable to pursue discovery as to: the volume of listings containing those trademarks that appeared on the eBay website; the volume of listings containing those trademarks that Tiffany reported as potentially infringing; what evidence, if any, Tiffany had that items on the eBay website bearing those trademarks were counterfeit; and how, if at all, Tiffany went about authenticating those items. eBay also could not seek discovery as to the ownership of those trademarks, a prerequisite to any trademark infringement claim. See, e.g., Island Software & Computer Serv., Inc. v. Microsoft Corp., 413 F.3d 257, 259-60 (2d Cir. 2005) (noting that one of the "necessary elements" of claims for trademark infringement is "trademark ownership"). Delayed assertions of claims such as Tiffany's, coming after discovery has closed, are thus particularly prejudicial because they deny the opposing party the opportunity to meaningfully inquire into those claims. See Krumme v. WestPoint Stevens Inc., 143 F.3d 71, 88 (2d Cir. 1998).

Tiffany's assertion that the New Marks "relate to the same conduct, transactions and occurrences" at issue in the Complaint so that eBay had no need for additional discovery or trial preparation, Tiffany Opp. at 11, is simply wrong. Exxon Corp. v. Exxene Corp., 696 F.2d 544 (7th Cir. 1982), which Tiffany cites as support for its attempt to introduce additional trademarks into the case through the pretrial order, is inapposite. In Exxon, the *defendant* was permitted to introduce evidence of thirteen of the plaintiff's trademarks that had not been listed in the pretrial order because the defendant's only purpose in introducing the trademarks was to challenge their validity. As the plaintiff was "well informed" on the question of the validity of its own marks, the evidence was deemed not to be prejudicial. See id. at 548. In contrast, eBay is not, and cannot be expected to be, "well informed" of the universe of potential marks that Tiffany intends to include in the scope of its infringement action. The only party that would be well-informed as to that information is Tiffany itself.[9]

Finally, Tiffany contends that the mere possibility of an increase in the amount of damages, by itself, does not constitute unfair prejudice sufficient to exclude the New Marks. See Tiffany Opp. at 14. This argument is wide of the mark. Tiffany claims that "[t]he risk of increased damages by the admission of [evidence of the New Marks] does not rise to the level of unfair prejudice." Id. But eBay here is not confronted with a plaintiff that simply has increased

[9] Moreover, Tiffany's argument completely belies the point. Unlike a case where all claims arise out of a single tortious accident or contract, the gravamen of a trademark infringement claim rests on the trademarks that are claimed to have been infringed. See, e.g., Howey v. United States, 481 F.2d 1187, 1192 (9th Cir. 1973) (granting leave to amend complaint where defendant had participated in litigation arising from single accident and therefore was fully prepared to litigate on substantive issues raised in relation to that accident). Without knowledge or notice of the New Marks, eBay could not possibly have prepared to counter the claims relating to these marks at trial.

its claimed damages – which, in any event, would surely occur were Tiffany's New Marks introduced. Instead, eBay is confronted with a plaintiff that seeks to assert new trademarks, and hence new claims, that never before have been at issue in the litigation. Tiffany's protestations to the contrary, and the authority Tiffany cites in support, thus have no weight.

III. THE INTERESTS OF JUDICIAL ECONOMY COUNSEL IN FAVOR OF EXCLUDING THE NEW TRADEMARKS

Tiffany's last-ditch argument that its addition of the New Marks on the eve of trial serves the interests of judicial economy is a farce. See Tiffany Opp. at 15-16. Tiffany cannot now add entirely new trademarks to the scope of its infringement suit, at a time and in a manner overwhelmingly prejudicial to eBay, by "dangling as bait the prospect of judicial economy." Midland Investment Co. v. Van Alstyne, Noel & Co., 59 F.R.D. 134, 137 (S.D.N.Y. 1973). Were Tiffany's position tenable, then there would be no need for federal rules and judicial authority regulating plaintiffs' attempts to amend their pleadings or introduce issues into a case that previously did not exist. But that is not the law – the numerous cases discussed above affirm that courts routinely reject efforts like those pushed by Tiffany here. Indeed, it surely is not a defendant's fault when a plaintiff has failed to properly articulate the bases for its lawsuit – and the defendant should not be punished for that failure.

As courts have recognized, when a plaintiff seeks to introduce new matters into a litigation, that attempt must be balanced by "fairness to the" other party. Nance v. Gulf Oil Corp., 817 F.2d 1176, 1180 (5th Cir. 1987). Courts thus frequently have rejected arguments such as Tiffany's, finding instead that because the new claims would be subject to discovery and were filed too late in the proceedings, the new claims must be excluded. See, e.g., Gucci Am., Inc. v. Exclusive Imports Int'l, 99 Civ. 11490 (RCC) (FM), 2001 U.S. Dist. LEXIS 67, at *18

(S.D.N.Y. Jan. 9, 2001) (finding that "leave to amend is by no means automatic" when new claims are brought at late stage in proceedings).

If successful, moreover, Tiffany's tactics with regard to its newly-identified trademarks would have potentially pernicious effects for all defendants facing infringement allegations. A plaintiff in a trademark action could refuse to identify its trademarks in suit until the eve of trial, only then identifying those trademarks that, for whatever reason, it believes it has the best chance of prevailing on. Here, for example, Tiffany has provided no reason for why it selected the eleven particular trademarks it recently identified out of the dozens that it owns. In these circumstances, "judicial economy" is not the talisman that Tiffany makes it out to be.

CONCLUSION

For the foregoing reasons, as well as those discussed in eBay's opening memorandum, eBay respectfully requests that the Court grant eBay's motion in limine to exclude those portions of the instant case that purport to create liability based upon the eleven trademarks first asserted in Tiffany's Proposed Findings of Fact.

Dated: New York, New York
June 8, 2007

WEIL, GOTSHAL & MANGES LLP

By: /s/ R. Bruce Rich

R. Bruce Rich (RR-0313)
Randi W. Singer (RS-6342)
Mark J. Fiore (MF-5738)
Lori M. Schiffer (LS-2234)
767 Fifth Avenue
New York, New York 10153
(212) 310-8000

Attorneys for Defendant eBay Inc.

CERTIFICATE OF SERVICE

I, Mark J. Fiore, an attorney associated with Weil, Gotshal & Manges LLP, hereby certify that on this 8th day of June 2007, I caused a true and correct copy of: (i) the Memorandum of Defendant eBay in Further Support of Its Motion in Limine to Exclude Evidence That Purports to Create Liability Based on Trademarks First Asserted in Tiffany's Proposed Findings of Fact, and (ii) the accompanying Declaration of Randi W. Singer, to be served by hand on:

James B. Swire, Esq.
Arnold & Porter LLP
399 Park Avenue
New York, NY 10022
(212) 715-1000

Attorneys for Plaintiffs Tiffany (NJ) Inc. and Tiffany and Company

Mark J. Fiore